

# House Watch

A summary of today's House actions;  
published daily when the House is in session.



9/17/08

## FINAL PASSAGE

### [HB 6249](#)

(Valentine)

Gas gouging: the bill would allow the attorney general or a prosecuting attorney to investigate cases involving federal statutes that apply to restraints of trade if the federal statute authorizes or permits action by a state.

- Condino-1 adopted
- HB 6249 advanced to 3<sup>rd</sup> Reading
- HB 6249 was passed [RC 733: 106 yes, 1 no]
- IE was ordered

### [HB 6250](#)

(Dean)

Gas gouging: the bill would amend the Consumer Protection Act to specify what elements would be *prima facie* evidence that unlawful price gouging had occurred and to incorporate provisions almost identical to those contained in the Michigan Antitrust Reform Act pertaining to the power of the attorney general in an investigation of a violation of the act to compel the appearance of a person and production of documents prior to filing an action in circuit court. The Michigan Consumer Protection Act prohibits unfair, unconscionable, or deceptive methods, acts, or practices in the conduct of trade or commerce and lists numerous acts that constitute unlawful conduct. Charging the consumer a price that is grossly in excess of the price at which similar property or services are sold is one such prohibited conduct.

- Condino substitute H-1 adopted
- Meltzer-2 adopted
- Condino-3 adopted
- HB 6250 advanced to 3<sup>rd</sup> Reading
- HB 6250 was passed [RC 734: 106 yes, 1 no]
- IE was ordered

## **HB 6251**

**(Robert Jones)**

House Bill 6251 would add Section 22225a to make the furnishing of a security bond a requirement for approval for a certificate of need to acquire a nursing home, begin operation of a nursing home, or make a change in bed capacity in licensed nursing home beds.

Except as provided otherwise, the amount of the surety bond would have to equal or exceed the total cost to acquire or begin operation of a nursing home or to make the change in bed capacity (with the cost to be determined by the Department of Community Health). The amount of the surety bond could not be less than \$25,000 or greater than \$500,000. (The bond requirement would not apply to a county medical care facility.) The surety bond would be conditioned on the continued operation of the nursing home by the applicant and would need to be approved by the department. Instead of a surety bond, the department could provide for an appropriate deposit of cash or securities, a letter of credit, or the assignment of coverage of other bonds, if it is satisfied that comparable or more extensive coverage results. The DCH would be required to establish procedures and could demand payment from the surety bond or draw upon the deposit of cash or securities, letter of credit or assignment of coverage of other bonds if the nursing home voluntarily or involuntarily discontinues its operations, if a receiver is appointed, or if a temporary manager is appointed. Upon full settlement of allowed claims, the department would return any remaining assets of those resources to the nursing home. The department could bring an action in a court of competent jurisdiction against the nursing home, its assets, or the surety on the bond, or could take any appropriate action against the issuer of the deposit of securities, letter of credit, or assignment of coverage of other bonds for recovery of money due and owing to the department. The department would have to require that the surety bond or other security be and remain in effect before issuance or renewal of a nursing home license.

- Robert Jones substitute H-3 adopted
- Calley 1A not adopted
- HB 6251 was passed [RC 735: 61 yes, 46 no]
- IE was ordered

## **HB 6252**

**(Angerer)**

House Bill 6252 would amend Section 20142 to provide that an applicant for a nursing home license or a licensee disclose the names, addresses, principal occupations, and official positions of all control persons. Currently, applicants and licensees must only disclose this information about those with an ownership interest. The term "control person" would be defined to mean a director, manager, or executive officer of an applicant or licensee or a natural person who has the authority to participate in the direction, directly or indirectly through one or more other natural persons, of the management or policies of an applicant or licensee. Currently, a change in ownership of a health facility or agency must be reported to the DCH Director within 15 days before the change occurs. The bill would also apply this requirement to a change in control. In the case of a change in ownership or control, the DCH could not issue a license to the new owner until all of items of noncompliance identified by the department had been corrected, or the department has an approved plan of correction.

- Angerer substitute H-3 adopted

- HB 6252 was passed [RC 736: 62 yes, 45 no]
- IE was ordered

### **HB 6253** (Corriveau)

House Bill 6253 would amend Section 21766 to provide that when a nursing home reports a change in ownership or control to the DCH, or not less than 30 days before the change occurs, whichever occurs sooner, the nursing home would be required to specifically notify, in writing, a patient and that patient's guardian or legal representative of the change in ownership or control. This section deals with the written contract required between a nursing home and a patient or patient's legal guardian or representative.

- Corriveau substitute H-2 adopted
- HB 6253 was passed [RC 737: 98 yes, 9 no]
- IE was ordered

### **HB 6254** (Simpson)

House Bill 6254 would amend Section 21781 to require a license nursing home to post the names and contact information for control persons and persons who have an ownership interest in the nursing home. (This would be in addition to current posted information.)

- Simpson substitute H-3 adopted
- HB 6254 was passed [RC 738: 98 yes, 9 no]
- IE was ordered

### **HB 6255** (Ball)

House Bill 6255 would amend Section 21711 to prohibit the DCH from issuing or renewing a nursing home license, except as provided in this section, unless the applicant or licensee submits financial statements audited by a certified public accountant, bank officer, or other independent authority with knowledge of long-term care operations, as approved by the department. The applicant or licensee would be required to include in the audited financial statements the accountant's, or other authority's statement that the applicant's or licensee's assets, liabilities, revenues, and expenditures identified in the applicant's business plan are sufficient to predict that the applicant (or licensee) has the financial capacity to own and operate a nursing home. This subsection would not apply to a nursing home that is a county medical care facility.

- Angerer substitute H-3 adopted
- Calley 1A not adopted
- HB 6255 was passed [RC 739: 80 yes, 27 no]
- IE was ordered

**HB 6256****(Valentine)**

House Bill 6256 would amend Section 21799c to specify that a licensee, nursing home administrator, or employee of a nursing home who knowingly and willfully makes a false statement to the DCH in the course of a visit made for the purpose of survey, evaluation, or consultation, or in the course of an investigation made following a complaint, is guilty of a misdemeanor punishable by imprisonment for not more than one year and/or a fine of not less than \$1,000 or more than \$10,000. A licensee, nursing home administrator, or employee of a nursing home could not be found guilty of knowingly and willfully making a false statement under the subsection unless guilt is established by legal and competent evidence beyond a reasonable doubt.

- HB 6356 was passed [RC 740: 107 yes, 0 no]
- IE was ordered

**HB 6261****(Donigan)**

House Bill 6261 would amend numerous sections in Chapter 21 to provide that beginning October 1, 2008, a person could not establish, operate, or maintain a nursing home without maintaining proof of liability insurance coverage on that nursing home in an amount not less than \$1 million per occurrence. A nursing home that is a county medical facility would not be required to maintain liability insurance as required in this section. An applicant or licensee would be required to include proof of liability coverage in its application for a license or license renewal. Proof of liability insurance would also be added to list of public records subject to disclosure by the Department of Community Health or the Department of Human Services. Additionally, a licensee would be required to retain for public inspection a copy of the proof of liability insurance coverage.

- Donigan substitute H-3 adopted
- HB 6261 was passed [RC 741: 64 yes, 42 no]
- IE was ordered

**HB 6388****(Miller)**

The bill would amend the Public Health Code to provide for a public hearing before a license is issued to new owners of a nursing home. The bill would add Section 21742 to specify that the Department of Community Health would have to hold such a hearing at the request of any person to provide an opportunity for persons interested in the change of ownership or control to be heard. The department could also hold a hearing without any such request, on its own initiative. The hearing could be held at any time after a proposed change in ownership or control of a nursing home was reported to the department, but would have to be held before a license was issued to the new persons with ownership or control interest. When making its decision whether to issue a license to the new persons with an ownership or controlling interest, the department would have to consider all information received during the public hearing and any written communication received regarding the change in ownership or control. The department would

have to promulgate rules to establish procedures under which a public hearing is to be requested and held.

- HB 6388 was passed [RC 742: 61 yes, 45 no]
- IE was ordered